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Attorneys for Plaintiff DENOVA HOMES INC.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND DIVISION

DENOVA HOMES INC. a California  
Corporation,

Plaintiff,

v.

CERTAIN UNDERWRITERS AT  
LLOYD'S LONDON; THE INSURANCE  
COMPANY OF THE STATE OF  
PENNSYLVANIA, and DOES 1 through  
15, inclusive,

Defendants.

CERTAIN UNDERWRITERS AT  
LLOYD'S, LONDON

Cross-Claimant

v.

THE INSURANCE COMPANY OF THE  
STATE OF PENNSYLVANIA

Cross-Defendant.

Case Nos. C 05-2377 and  
C 05-4114 SBA  
(Consolidated cases)

**STIPULATION OF DISMISSAL OF  
CLAIMS AGAINST CERTAIN  
UNDERWRITERS AT LLOYD'S,  
LONDON AND DENOVA HOMES INC.**

Plaintiff DeNova Homes, Inc. ("DeNova") and defendant Certain Underwriters at Lloyd's, London ("Underwriters") have reached a settlement in this action. Pursuant to the terms of the settlement agreement, DeNova and Underwriters, through their undersigned counsel, stipulate that

DeNova's complaint against Underwriters in this matter, Case No. C 05-4114 SBA, and Underwriters' claims against DeNova in its First Amended Complaint and in any cross- or counter-complaints, Case Nos. C 05-2377 and C 05-4114 SBA, shall be dismissed with prejudice, with each of DeNova and Underwriters to bear its own costs and fees.

As DeNova's claims against The Insurance Company of the State of Pennsylvania have already been dismissed, there are no claims remaining in DeNova's complaint in Case No. C 05-4114 SBA, that complaint in its entirety is dismissed with prejudice. Similarly, because all claims against DeNova are being dismissed in Case Nos. C 05-2377 and C 05-4114 SBA, DeNova is hereby dismissed as a party in both actions.

DATED: September 28, 2006

ADLER LAW GROUP

By: /s/ Erwin E. Adler  
ERWIN E. ADLER  
Attorneys for Defendant  
CERTAIN UNDERWRITERS AT  
LLOYD'S, LONDON

DATED: September 29, 2006

TOWNSEND AND TOWNSEND & CREW LLP

By: /s/ Gregory P. Farnham  
GREGORY P. FARNHAM, Esq.  
LEIGH A. KIRMSSE, Esq.  
Attorneys for Plaintiff  
DENOVA HOMES, INC.

IT IS SO ORDERED.

DATED: 10/23/06

*Amanda B. Armstrong*  
UNITED STATES DISTRICT COURT  
JUDGE